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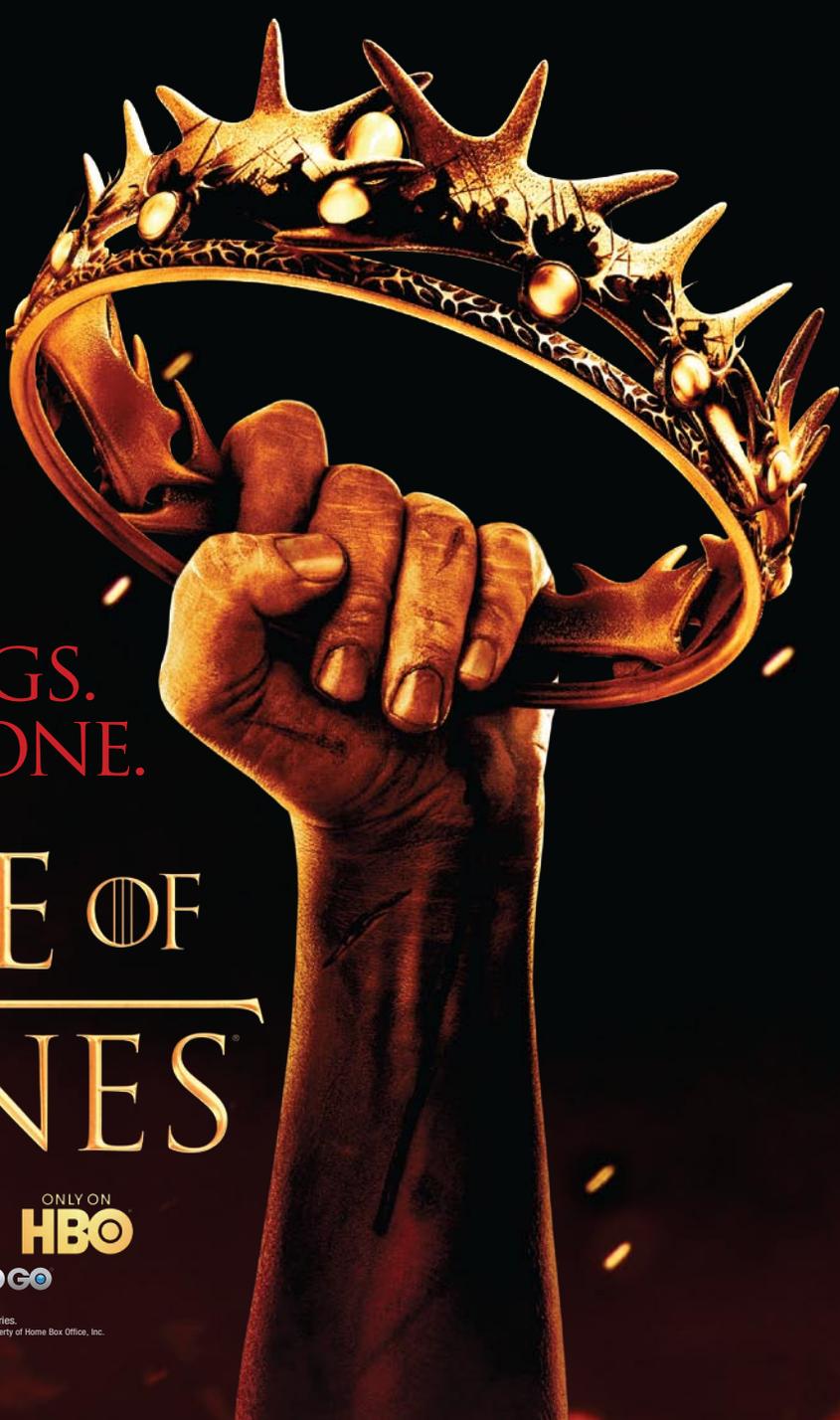
CableFAX Daily™

Thursday — March 29, 2012

What the Industry Reads First

Volume 23 / No. 060

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FIVE KINGS.
ONE THRONE.

GAME OF THRONES

APRIL 1 AT 9 **HBO**
OR WATCH IT ON **HBO GO**

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'We're Ready': 4A's Highlights Crumbling Silos as Digital, TV Merge

Digital strategies may differ, but cable honchos gathered at the **4A's** in L.A. Wed agreed that brands and agencies want 360-degree solutions. And the time is now. "We're ready for a multimedia Upfront," said *Ed Erhardt*, **ESPN** pres, global customer marketing & sales. "You guys are ready, because we're ready... This year I think it's actually going to happen." Erhardt said silos are already crumbling on the agency side as a "philosophical fight" between the TV and digital experts reaches its apex. "From our point of view, it doesn't matter," he said. "If we can get scale, then we can do a deal. I don't want to do 4 digital video deals with television, I want to do 50." More agencies are starting to get it, he said, because "when there is mutual respect and information sharing, there's less turf." And while convergence remains a work in progress, **Discovery Comm** Chief Digital Officer *JB Perrette* said consumers are becoming more keen "to consume [digital media] in a major way," which in turn has supercharged advertising interest in comprehensive deals. Even siloed concepts that seemed cutting edge a couple years ago now seem passé, panelists agreed. Take the idea of "mobile video," which "is increasingly losing its meaning" amid a digital soup, said **Fox Networks** evp, distribution *Mike Biard*. "Those camps are increasingly gone, and everybody is in distribution," he said. "**Comcast** doesn't think of itself as delivering television. Certainly, they're in the tablet business today." As for **Cablevision**, which is pushing to build out WiFi, "they already look at themselves as being in the mobile space," he argued. So as digital fades into TV and vice versa, content execs looking to fuel higher ad revenue might want to keep an open mind—and start wearing more hats.

Sports Nation: Lot of tongue-wagging over a *Bloomberg* report Wed that **News Corp** is contemplating a national US sports net to take on **ESPN**, which quoted unnamed sources with knowledge of the situation. Well, who wouldn't want a network to rival ESPN? It all sounds very up-in-the-air at this point. A final decision hasn't been made, but News is considering converting **Fuel** to the new channel, *Bloomberg* said. Former **Cfaxer** *John Ourand* of *Sports Business Journal* took to Twitter to say that sources have indicated **Speed** (in 80-something mln vs Fuel's 30-something mln) would be the channel that was flipped—if it actually happens. The effort is reportedly being led by Fox Sports media chair *David Hill*. -- Meanwhile, **L.A. Dodgers** finally have a buyer. Former **Lakers** star *Magic Johnson* (who also has his hands in upcoming cable net **Aspire**) and longtime baseball exec *Stan Kasten* will pay \$2bln for the franchise. **Guggenheim Partners** CEO



LIVING THE DREAM.
ONE MISTAKE AT A TIME.

A NEW COMEDY SERIES FROM EXECUTIVE PRODUCER **JUDD APATOW**
& WRITER AND DIRECTOR **LENA DUNHAM**

GIRLS

SERIES PREMIERE **ONLY ON HBO**
SUNDAY, APRIL 15, 10:30PM

OR WATCH IT ON **HBO GO**

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Mark Walter will become controlling owner. Now, onto whether the Dodgers will renew its long-term carriage deal with Fox Sports or go with someone else... like **Time Warner Cable**, who is gearing up to launch an **L.A. Lakers RSN**.

Advertising: Some news out of the **Advertising Research Foundation** conference Wed. **Disney/ABC TV Group's** ABC Research team and **Nielsen** announced an initiative to improve understanding of how people use iPads for video consumption and other activities. Nielsen was commissioned to build a proprietary, opt-in iPad panel to aggregate and measure video consumption, app usage and other activity over the course of a year. Some 200 respondents will be asked to download the meter, offering what the companies say will be the 1st view of actual behavior vs self-reported data. -- In the advanced ad space, **Visible World** was granted a patent on bandwidth mgmt for linear HH addressable TV advertising apps. It's a key win because it allows any combination of multiple commercials to be inserted into the same TV ad slot, where each commercial is addressed to its own target consumer segment. -- In Canada, **Rogers** is deploying **BlackArrow's** Advanced Advertising System to create a next-gen advertising marketplace for VOD services. The system allows Rogers to dynamically insert pre-, post- and mid-roll ads into VOD programming. The MSO began rolling out the tech earlier this year and expects to have it implemented across all its markets later this year, marking the 1st wide-scale roll out of dynamically inserted mid-roll advertising in N America.

X Spot, Redux: **NCTA** chief **Michael Powell** is standing up for **Comcast** after **Public Knowledge** and others raised net neutrality concerns over its Xbox plans. Net neutrality advocates turned their ire on Comcast offering its Xfinity On Demand service on the game console via a private IP network, meaning it doesn't count against a customer's bandwidth cap (**Cfax**, 3/27). XfinityTV.com and the Xfinity TV app stream over the public Internet and do count against the 250GB/month cap. So does content from services like **Netflix** or **HBO Go**. "Many now crying mortal danger have long lectured cable companies to offer content in IP, to get rid of boxes, to offer better interfaces and guides, and to allow people to access content on other devices. Yet, when a cable company actually does it, they are killing the Internet?" Powell wrote in a blog post titled "No Good Deed Goes Unpunished – Washington Advocacy Run Amok" at cabletechtalk.com. This all goes back to the debate about managed services in the FCC's Open Internet order. While initial indications were the FCC might treat ISP's managed services (like IP video) the same as all Web traffic, it did not. Instead, the FCC recognized that broadband providers may offer specialized services to benefit consumers and spur investment, but said it would closely monitor the services and effects to ensure they supplement, but not supplant the open Internet. Read Columnist **Steve Effros'** take on p4.

In the States: **Comcast** unveiled 2 new, free Xfinity Voice features for its unlimited nationwide plan. Customers can enjoy free text messaging from the Xfinity mobile app for Apple and Android-powered smartphones, iPads and iPod touch devices as well as the ability to receive transcribed voicemail messages that can be read instantly.



The buck stops somewhere near here.

Julia Louis-Dreyfus

VEEP

THE INAUGURAL SEASON BEGINS **ONLY ON**
SUNDAY, APRIL 22 10PM **HBO**

OR WATCH IT ON HBO GO

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BUSINESS & FINANCE

VOD: SnagFilms said it's expanding distribution of its pay-on-demand titles through agreements with **In Demand** and **DISH**. With its existing distribution on **Comcast**, **Verizon FiOS** and **DIRECTV**, SnagFilms now deals with the top MVPDs, reaching nearly 90% of the US VOD audience. It also launched a free movie streaming service on **Facebook** and added 4 execs. *D. Scott Karnedy* joins at chief rev officer (he was most recently at **Premiere Retail Networks**); *Manik Bambha* was named CTO; *Gary Hahn* was made evp, marketing and *John Landa* was named svp, ad sales.

On Our Minds: Keeping longtime **Discovery** and industry vet *Chris Lonergan* in our thoughts and prayers. The cancer, which he has been valiantly fighting multiple times, has progressed and he's being moved to hospice care. You can send along your notes and prayers to Chris and his family via his **CaringBridge** page, <http://www.caring-bridge.org/visit/chrislonergan>

People: Big promotion for **Comcast's D'Arcy Rudnay**, who becomes chief comm officer. She'll retain the title of svp, corp comm. Rudnay reports to Comcast evp *David Cohen* and works closely on special projects with chmn/CEO *Brian Roberts*. -- **ESPN** marketer *Chris Bursh* moves into the role of svp, affil sales and mktg, **Disney** and **ESPN Media Nets**. *Christen Harris* was upped to vp, digital video distribution, within the affil sales & mktg team.

CableFAX Daily Stockwatch

Company	03/28 Close	1-Day Ch	Company	03/28 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	48.83	0.62	CLEARWIRE:	2.30	(0.04)
DISH:	32.47	(0.06)	CONCURRENT:	3.65	UNCH
DISNEY:	43.51	(0.64)	CONVERGYS:	13.37	(0.13)
GE:	20.01	(0.03)	CSG SYSTEMS:	15.47	(0.12)
NEWS CORP:	19.95	(0.54)	ECHOSTAR:	28.62	(0.09)
MSOS					
CABLEVISION:	14.78	(0.12)	GOOGLE:	655.76	8.74
CHARTER:	63.25	(0.73)	HARMONIC:	5.56	(0.06)
COMCAST:	29.92	(0.25)	INTEL:	27.80	(0.39)
COMCAST SPCL:	29.59	(0.24)	JDSU:	14.59	(0.2)
GCI:	8.97	(0.41)	LEVEL 3:	26.26	(0.11)
KNOWLOGY:	18.38	0.28	MICROSOFT:	32.19	(0.33)
LIBERTY GLOBAL:	50.27	(0.21)	MOTOROLA MOBILITY:	39.30	0.06
LIBERTY INT:	19.17	(0.46)	RENTRAK:	22.38	(0.65)
SHAW COMM:	21.12	(0.04)	SEACHANGE:	8.17	0.11
TIME WARNER CABLE:	80.52	(0.79)	SONY:	21.13	0.36
VIRGIN MEDIA:	24.34	(0.1)	SPRINT NEXTEL:	2.83	UNCH
WASH POST:	382.95	(6.11)	THOMAS & BETTS:	71.75	0.13
PROGRAMMING					
AMC NETWORKS:	44.43	0.29	TIVO:	11.70	(0.2)
CBS:	32.23	(0.27)	UNIVERSAL ELEC:	20.10	0.18
CROWN:	1.57	(0.01)	VONAGE:	2.18	(0.03)
DISCOVERY:	49.37	(0.13)	YAHOO:	15.32	(0.11)
GRUPO TELEVISIA:	21.30	(0.08)	TELCOS		
HSN:	38.56	0.31	AT&T:	31.36	(0.28)
INTERACTIVE CORP:	48.98	(1.35)	VERIZON:	38.26	(0.4)
LIONSGATE:	13.59	(0.63)	MARKET INDICES		
LODGENET:	3.57	(0.03)	DOW:	13126.21	(71.52)
NEW FRONTIER:	1.51	0.01	NASDAQ:	3104.96	(15.39)
OUTDOOR:	7.47	(0.18)	S&P 500:	1405.54	(6.98)
SCRIPPS INT:	48.84	(0.39)	TECHNOLOGY		
TIME WARNER:	36.29	(0.47)	ADVANTAGE:	2.31	(0.12)
VALUEVISION:	2.02	(0.05)	ALCATEL LUCENT:	2.36	(0.06)
VIACOM:	52.32	(0.7)	AMDOCS:	31.32	(0.15)
WWE:	8.96	(0.02)	AMPHENOL:	58.61	(0.45)
MARKET INDICES					
			DOW:	13126.21	(71.52)
			NASDAQ:	3104.96	(15.39)
			S&P 500:	1405.54	(6.98)

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CableFAX Daily
WHAT THE INDUSTRY
READS FIRST.



Think about that for a minute...

Hair On Fire / Redux

Commentary by Steve Effros

In May, 2010 I wrote a column entitled “Hair On Fire” about the folks running around Washington proclaiming the imminent death of the “Free Open Internet” if something wasn’t done RIGHT AWAY to adopt “network neutrality” rules. If that didn’t happen RIGHT AWAY, the big, bad ISPs would manage their broadband plants so as to prevent competition, block alternative video services and do all sorts of other terrible and nefarious things that would surely doom the thousand flowers that were about to bloom.



It’s now two years later. The net neutrality rules are moribund since a court decision on whether the FCC even had the authority to adopt them is still probably almost a year away. The ISPs, as they have always done, have

gone about their business of delivering “the Internet” via broadband in such a way that customers are overwhelmingly happy. Sites are not being blocked. Flowers, and competition have bloomed all over the place.

So it shouldn’t come as any surprise that the folks who yelled “Hair On Fire” two years ago are at it again! But this time it appears they don’t even understand what they are complaining about. The triggering event was Comcast’s announcement that folks using the Xbox Xfinity App would not have any of the On Demand content they ordered up through that App from Comcast “count” against their broadband usage limits.

You would think “consumer groups” would applaud this. It’s a good deal for those folks with an Xbox. But no, the usual cast of characters—from Public Knowledge to the blogs Ars Technica, Gizmodo and the like—all immediately jumped on the notion that Comcast was “favoring” its service over the other ones that can be accessed by the Xbox such as Netflix. Those other services, since they are delivered via

the Internet over a broadband connection, do count against the cap. So, by the way, do any services delivered by Comcast over the Open Internet. No difference.

The Company has tried to calmly explain that the “On Demand” content that is being accessed through the Xbox is NOT delivered over the public Internet! It’s part of the private cable service someone already has to have bought before the Xbox App can essentially make that device function like an additional cable set top box. That’s all it is. This is not a “new” service. This is not a new competitor to Netflix. This is simply an app allowing a box in the home that is already there to function like an additional set top box to access programming the consumer has already purchased cable access to. These same groups have been demanding consumer alternatives to the cable box for years!

I admit. I yell at my windshield sometimes when other drivers do idiotic things. I yell at the television set when I hear stupid comments. Now I’m yelling at my computer screen when I see silly comments like this one from my friend, Gigi Sohn, of Public Knowledge. She said that the new policy “raises questions not only of the justification for the caps but, more importantly, of the survival of an Open Internet.”

No it doesn’t. These folks are having trouble distinguishing between the competitive sale of Internet services by content providers and the equipment used by a consumer to access existing cable services. In this case, Comcast is simply increasing the choice consumers have regarding the equipment they use. That’s a good thing, not something to get all fired up about.

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)

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